

# ***QUARTERLY STATISTICAL & ECONOMIC REPORT, Executive Summary June 2000***

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This *Quarterly Statistical and Economic Report* has been prepared by the staff of the Research and Economic Analysis Division of the State Department of Business, Economic Development & Tourism (DBEDT). The report provides concise statistical information and analyses on Employment, Income and Prices, Taxes, Tourism, and Construction, as well as an overview of the State of Hawaii and the four counties.

Director, Dr. Seiji F. Naya, heads the department. This report was prepared under the direction of the division administrator, Dr. Pearl Imada Iboshi.

Technical notes and source descriptions have been kept to a minimum. However, the staff of the Research and Economic Analysis Division would be happy to respond to any inquiries of a technical nature that readers may have (586-2466). The quarterly information contained in this report reflects data received by the Research Division on or before June 21, 2000.

#### On-line availability of *Quarterly Statistical and Economic Report*

Since 1988, the Hawaii Department of Business, Economic Development & Tourism has had the *State of Hawaii Data Book* available on-line to anyone with a personal computer and a modem. Since 1997, the *Quarterly Statistical and Economic Report*, *State of Hawaii Data Book* and other DBEDT publications and information have been made available over the Internet at <http://www.hawaii.gov/dbedt/index.html>.

Beginning in March 2000, the printing of the entire QSER has been discontinued. The full version will be available on-line at <http://hawaii.gov/dbedt/qser.html> and an QSER Executive Summary at <http://www.hawaii.gov/dbedt/latest.html> and is available on request by fax or e-mail.

For further information about available data and sources, users should call the Research and Economic Analysis Division's Business Resource Center at (808) 586-2424.

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## STATE OF THE ECONOMY

Hawaii's economy continued to expand in the first quarter of 2000. Employment and jobs rose and unemployment fell. Personal income growth (available only through the fourth quarter 1999) grew strongly. Tax revenues, led by general excise tax receipts, were higher. Construction activity picked up. And bankruptcy filings continued to fall.

Civilian employment grew by 3.1 percent from the first quarter of 1999 through the first quarter 2000 (Table 1). At the same time, wage and salary jobs expanded by 1.9 percent. The recent simultaneous growth in both measures of the labor market reversed a long trend in which the number of jobs fell while employment rose. The reversal points to strength in Hawaii's economy.

Consistent with this strength, the unemployment rate fell to 4.6 percent in the first quarter. This was 1.3 percentage points lower than in the same quarter of 1999. In comparison, the first-quarter U.S. unemployment rate was 4.1 percent.

The number of wage and salary jobs increased across virtually all industries. Significantly, construction jobs grew by a remarkable 8.8 percent after many years of contraction. Solid growth was also seen in manufacturing (2.8 percent), trade (2.3 percent) and services (2.0 percent). The only sector with job losses was finance, insurance, and real estate (-1.9 percent).

In May, the U.S. Bureau of Economic Analysis released revised data for personal income by state through 1999. The revisions substantially raised the estimated growth rate for the third quarter to 4.8 percent and reported a 4.1 percent rate of growth for the fourth quarter (each relative to the year-

earlier quarter, Table B-2). For the year, nominal personal income grew by 3.6 percent. With the 1999 Honolulu Consumer Price Index about 1.0 percent higher than in 1998, real personal income growth for 1999 was about 2.5 percent.

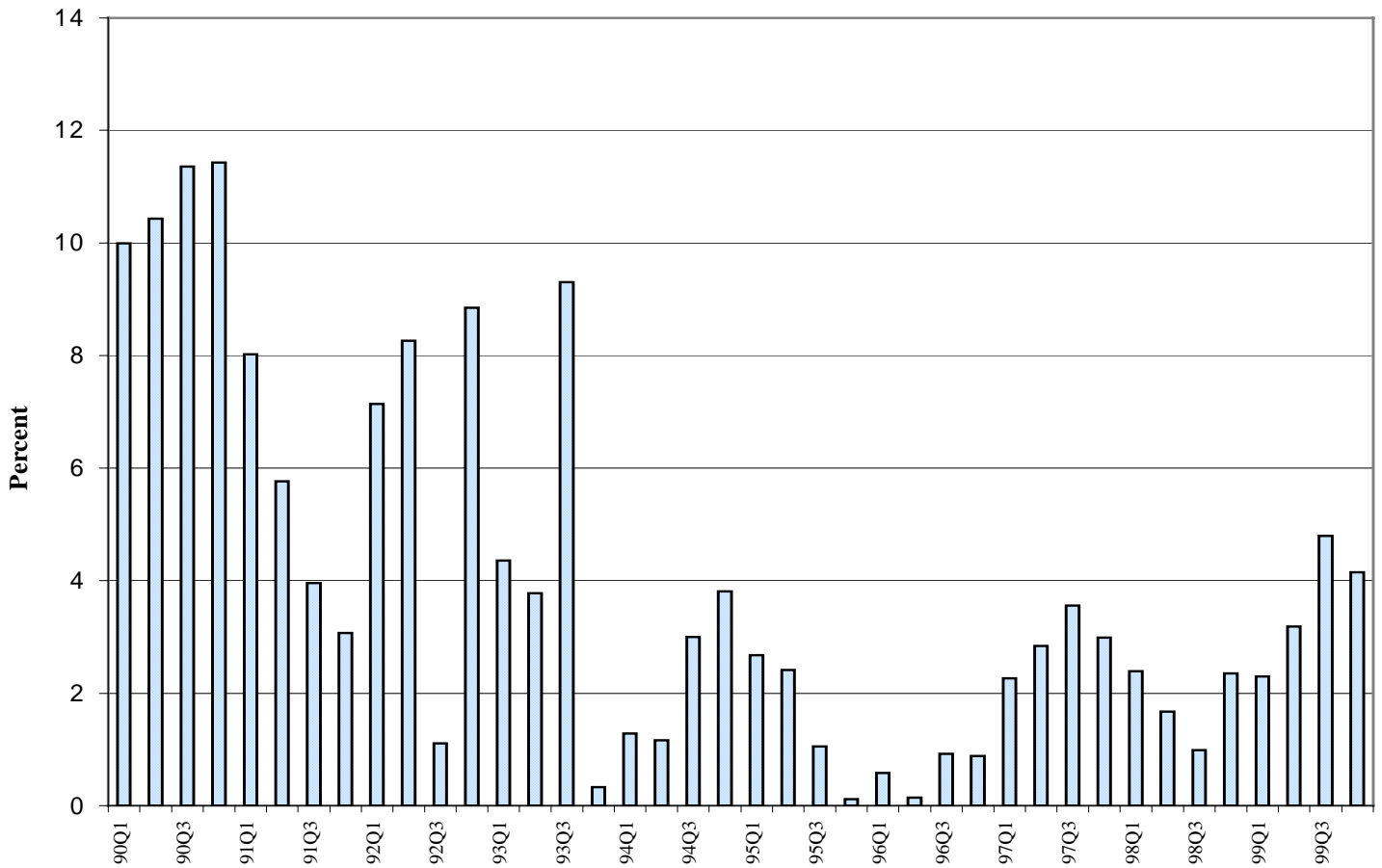
Tax revenues also reflected the increased economic activity. General fund revenues grew by 11.6 percent in the first quarter compared to the same quarter in 1999 (Table 1). Most of this growth came from a sharp 14.6 percent rise in general excise and use tax receipts. Personal income tax revenue also rose 3.6 percent in the first quarter, up from a decline in 1999 that reflected a reduction in individual income tax rates.

Visitor arrivals were about 2.0 percent higher in the first quarter than the same period last year. For statistical reasons the distinction between westbound and eastbound arrivals has been replaced by a distinction between domestic-flight visitors and international-flight visitors. Domestic-flight visitor arrivals were up by 4.8 percent, while international-flight visitor arrivals fell by 2.4 percent in the first quarter. More specifically, U.S. visitors grew by 9.8 percent over the period while Japanese visitor arrivals fell by 3.0 percent.

As suggested in the jobs data, construction activity has accelerated. The contracting tax base of the general excise tax grew by 19.9 percent in the first quarter, suggesting that the large increase in 1999 building authorizations is being translated into actual construction activity (Table E-1).

Finally, bankruptcy filings fell by 14 percent, continuing the string of quarterly drops that began last year (Table F-1).

**Figure 1. Annual Growth in Personal Income**  
 [percentage change from same period in previous year]



Source: Table B-2. Personal Income.

## OUTLOOK OF THE ECONOMY

The outlook for Hawaii's economy is decidedly brighter than even three months ago. Continuing strength of the Mainland economy, economic improvement in Japan, and recent robust Hawaii growth have led DBEDT to substantially raise its forecast for 2000 and beyond.

The Blue Chip Economic Indicators, a consensus forecast of approximately 50 U.S. forecasters, projects that the U.S. economy will grow at 4.8 percent in 2000 (forecast as of June 10, 2000). In 2001, the forecast growth rate is 3.3 percent. Inflation, as measured by the gross domestic product deflator, should remain low at 2.1 percent for both years.

California, a major influence on Hawaii's economy, enjoyed real personal income growth of 5.0 percent in 1999. The UCLA Anderson Forecast expects growth of 4.0 percent in 2000 and 3.2 percent in 2001. California employment in nonagricultural establishments grew 3.1 percent in 1999 and is forecast to grow by 3.8 percent in 2000 and by 2.6 percent in 2001.

On the international level, the Blue Chip forecasters expect Japan to grow by 1.2 percent in 2000 and by 1.8 percent in 2001. The Economic Planning Agency of Japan recently announced that first quarter 2000 real GDP grew by 10 percent on an annualized

basis from the previous quarter. Rates of growth above 6 percent are expected for South Korea, Taiwan, Singapore, and China for 2000.

Other sections of this report discuss Hawaii data in more detail, but a few pieces of information stand out and influenced the upward revision of DBEDT's forecast. First, wage and salary jobs are growing at 2.0 percent this year after many years of negative or very low growth. Much of this growth reflects increases in construction jobs. Second, personal income growth was particularly high (above 4.0 percent) in the second half of 1999. Finally, visitor days are running almost 4 percent higher than last year and may accelerate later in the year.

All of these factors led DBEDT to raise its forecast of economic activity this year compared to the forecast published in March 2000. As the accompanying table indicates, we expect visitor arrival growth to expand by 3.8 percent this year and 3.5 percent next year (compared to the 2.3 and 2.5 percent forecasts of March). Real personal income should grow by 3.5 percent in 2000 and by 3.0 percent in 2001 (compared to 2.3 and 2.5 percent as forecast in March). And wage and salary jobs should rise by 2.0 percent this year and by 1.7 percent in 2001 (compared to the 1.0 and 1.1 percent forecasts of March).

## ACTUAL AND FORECAST KEY ECONOMIC INDICATORS FOR HAWAII: 1998 TO 2003

<i>Economic Indicators</i>	<i>1998 (actual)</i>	<i>1999 (actual)</i>	<i>2000 (forecast)</i>	<i>2001 (forecast)</i>	<i>2002 (forecast)</i>	<i>2003 (forecast)</i>
Total population (in thousands)	1,190.5	1,185.5	1,192.6	1,199.8	1,207.0	1,214.2
Visitor arrivals (in thousands)	6,738.2	6,848.5	7,108.7	7,357.5	7,600.3	7,851.2
Honolulu CPI-U (1982-84=100)	171.5	173.3	176.8	180.3	184.1	188.1
Personal income (in million dollars)	31,856.3 1/	33,006.0 1/	34,844.4	36,607.6	38,310.7	40,132.4
Personal income (in \$1992 million)	28,809.9	29,539.7	30,573.6	31,490.8	32,278.1	33,085.0
Total wage & salary jobs (in thousands)	538.8	541.4	552.2	561.6	570.0	578.5
Gross state product (in million dollars)	34,914.8	36,004.3	37,975.3	39,854.4	41,671.0	43,627.6
Real gross state product (in \$1992 million)	31,944.0	32,623.3	33,765.1	34,790.1	35,691.3	36,621.1
Gross state product deflator (1992=100)	109.3	110.4	112.5	114.6	116.8	119.1
<b>Annual Percentage Change</b>						
Total population (in thousands)	0.1	-0.4	0.6	0.6	0.6	0.6
Visitor arrivals (in thousands)	-2.0	1.6	3.8	3.5	3.3	3.3
Honolulu CPI-U (1982-84=100)	-0.2	1.0	2.0	2.0	2.1	2.2
Personal income (in million dollars)	1.8 1/	3.6 1/	5.6	5.1	4.7	4.8
Personal income (in \$1992 million)	2.1	2.5	3.5	3.0	2.5	2.5
Total wage & salary jobs (in thousands)	0.0	0.5	2.0	1.7	1.5	1.5
Gross state product (in million dollars)	2.0	3.1	5.5	4.9	4.6	4.7
Real gross state product (in \$1992 million)	2.2	2.1	3.5	3.0	2.6	2.6
Gross state product deflator (1992=100)	-0.2	1.0	1.9	1.9	1.9	2.0

1/ Revised by U.S. Bureau of Economic Analysis, May 17, 2000.

Source: Hawaii State Department of Business, Economic Development & Tourism, June 2000.

## COUNTY ECONOMIC CONDITIONS

Neighbor Island economic activity continued to lead the way for the State in the first quarter. Growth in the City & County of Honolulu, while not as high, was still significant because of the county's size.

Civilian employment expanded in all counties, with the largest rates of growth in Kauai County (6.3 percent, Table 5) and Hawaii County (6.2 percent, Table 3). Maui County followed with 5.2 percent growth (Table 4), and in the City & County of Honolulu, employment expanded by 2.1 percent (Table 2).

The other measure of labor market activity, non-agricultural wage and salary jobs, had roughly the same distribution. Hawaii County led with 3.8 percent growth in jobs, followed by Kauai County (3.5 percent), Maui County (2.8 percent), and the City & County of Honolulu (1.5 percent).

The strong growth in construction jobs in the first quarter was almost entirely a Neighbor Island phenomenon. Construction jobs grew by 1.3 percent in the City & County of Honolulu, but by 45.5 percent in Hawaii County, 27.9 percent in Maui County, and 5.9 percent in Kauai County.

Other notable increases in private non-agricultural jobs included 6.1 percent and 12.5 percent growth in manufacturing for Maui County and Kauai County, respectively; 9.1 percent growth in transportation, communications, and utilities jobs in Kauai County; and 8.8 percent growth in health services jobs in Hawaii County.

Agricultural wage and salary jobs fell by 2.3 percent in the City & County of Honolulu, but increased dramatically in the other counties: Hawaii by 21.5 percent, Maui by 48.3 percent, and Kauai by 48.9 percent.

In the public sector, the eye-catching changes were in federal government jobs. These increased by 17.6 percent in Hawaii County, 20 percent in Maui County, and 28.6 percent in Kauai County. A significant part of the increase was due to hiring of census workers.

In the first quarter 2000, Hawaii County building authorizations increased by 59.0 percent and Maui County permit values grew by 111.8 percent (Table E-6). However, permit values fell by 22.8 percent in the City & County of Honolulu and by 13.2 percent in Kauai County.

Kauai County enjoyed the largest increase in visitor arrivals (3.3 percent) in the first quarter 2000 compared to the first quarter 1999 (Table 5). The City & County of Honolulu followed with an increase of 0.7 percent (Table 2), and Hawaii County had an increase of 0.2 percent (Table 3). The number of visitors to Maui fell by 0.8 percent over the period (Table 4). For the Neighbor Islands, increases in visitors came from the international-flight, rather than domestic-flight, segment. Honolulu's increase, however, came from domestic-flight visitors.

Hotel occupancy rates increased in all counties, with the largest increases in Kauai and Maui counties.

**Table 1. 2000 SELECTED ECONOMIC ACTIVITIES: STATE OF HAWAII**

SERIES	UNIT	1st QUARTER 2000		1999	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	601,000	1.7	594,800	0.0
Civilian employment	Persons	573,250	3.1	561,500	0.7
Civilian unemployment	Persons	27,800	-20.6	33,300	-10.5
Unemployment rate 2/	%	4.6	-1.3	5.6	-0.7
Total non-agric. wage & salary jobs 1/	Jobs	538,300	1.9	533,700	0.5
Contract construction	Jobs	22,800	8.8	21,550	-0.5
Manufacturing	Jobs	16,600	2.8	16,450	0.0
Transport., comm., utilities	Jobs	40,950	1.1	41,000	-0.4
Trade	Jobs	133,750	2.3	132,700	0.4
Retail	Jobs	112,500	2.2	111,700	0.4
Finance, insur., & real estate	Jobs	34,400	-1.9	34,950	-1.5
Services & miscellaneous	Jobs	175,450	2.0	174,250	1.2
Hotels	Jobs	37,600	0.8	37,100	-1.7
Health	Jobs	35,850	1.7	35,650	1.0
Government	Jobs	114,350	1.4	112,800	0.5
Federal	Jobs	30,500	1.3	30,350	-0.2
State	Jobs	67,500	1.7	65,800	1.3
Local	Jobs	16,350	0.0	16,650	-1.2
Agriculture wage & salary jobs 1/	Jobs	7,850	11.3	7,700	2.0
State general fund revenues	\$1,000	765,790	11.6	2,841,290	-1.7
General excise and use tax revenues	\$1,000	422,222	14.3	1,454,731	1.3
Income-individual	\$1,000	247,130	3.6	1,053,858	-3.6
Declaration of estimated taxes	\$1,000	58,812	44.7	197,042	1.4
Payment with returns	\$1,000	10,644	-15.4	95,315	1.5
Withholding tax on wages	\$1,000	256,248	-0.4	977,157	-4.8
Refunds	\$1,000	78,575	9.2	215,656	-2.8
Transient accommodations tax	\$1,000	46,216	24.2	153,367	21.8
Visitor arrivals by air 3/	Persons	1,722,991	2.0	6,738,458	0.0
Domestic-flight visitors	Persons	1,071,927	4.9	4,253,337	0.2
International-flight visitors	Persons	651,064	-2.4	2,485,121	-0.3
Hotel occupancy rates 2/	%	78.2	1.2	72.1	0.6

1/ Labor force and jobs are averages based on monthly rounded data

2/ Change represents absolute change in rates rather than percentage change in rates

3/ Preliminary data.

Source: Hawaii State Department of Business, Economic Development & Tourism, Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; and Smith Travel Research  
PricewaterhouseCoopers LLP



**Table 2. 2000 SELECTED ECONOMIC ACTIVITIES:  
CITY AND COUNTY OF HONOLULU**

SERIES	UNIT	1st QUARTER 2000		1999	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	427,300	0.9	424,250	-0.8
Civilian employment	Persons	409,750	2.1	403,300	-0.3
Civilian unemployment	Persons	17,550	-20.4	20,950	-8.7
Unemployment rate 2/	%	4.1	-1.1	4.9	-0.4
Total non-agric. wage & salary jobs 1/	Jobs	401,900	1.5	399,450	-0.3
Contract construction	Jobs	15,950	1.3	15,900	-4.2
Manufacturing	Jobs	12,950	3.2	12,750	0.0
Transport., comm., utilities	Jobs	31,800	0.5	31,850	-2.2
Trade	Jobs	97,400	2.6	96,500	-0.4
Retail	Jobs	80,200	2.6	79,650	-0.1
Finance, insur., & real estate	Jobs	27,400	-2.5	27,950	-1.9
Services & miscellaneous	Jobs	124,800	1.9	124,000	0.6
Hotels	Jobs	16,100	-1.5	16,100	-4.2
Health	Jobs	28,900	0.9	28,750	-0.5
Government	Jobs	91,650	0.9	90,500	0.6
Federal	Jobs	28,500	0.5	28,550	-0.3
State	Jobs	51,900	1.5	50,450	1.2
Local	Jobs	11,250	0.0	11,450	-0.4
Agriculture wage & salary jobs 1/	Jobs	2,100	-2.3	2,200	0.0
General excise and use tax revenues	\$1,000	348,687	14.2	1,199,179	0.1
Income-individual	\$1,000	213,840	0.1	918,708	-4.5
Declaration of estimated taxes	\$1,000	39,480	35.7	147,790	-2.9
Payment with returns	\$1,000	8,199	-18.5	73,355	0.1
Withholding tax on wages	\$1,000	225,333	-0.2	860,132	-5.3
Refunds	\$1,000	59,172	15.2	162,570	-5.6
Transient accommodations tax	\$1,000	33,919	19.0	115,133	14.9
Visitor arrivals by air 3/	Persons	1,182,356	0.7	(NA)	(NA)
Domestic-flight visitors	Persons	589,835	4.4	(NA)	(NA)
International-flight visitors	Persons	592,521	-2.8	(NA)	(NA)
Hotel occupancy rates 2/	%	77.7	1.8	72.1	0.6

NA Not available.

1/ Labor force and jobs are averages based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary data. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

**Table 3. 2000 SELECTED ECONOMIC ACTIVITIES: HAWAII COUNTY**

SERIES	UNIT	1st QUARTER 2000		1999	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	71,100	3.9	69,900	1.8
Civilian employment	Persons	66,400	6.2	63,850	2.9
Civilian unemployment	Persons	4,650	-21.2	6,050	-8.3
Unemployment rate 2/	%	6.5	-2.1	8.7	-1.0
Total non-agric. wage & salary jobs 1/	Jobs	52,600	3.8	51,300	2.8
Contract construction	Jobs	3,200	45.5	2,400	14.3
Manufacturing	Jobs	1,500	-3.2	1,550	3.3
Transport., comm., utilities	Jobs	2,850	0.0	2,850	0.0
Trade	Jobs	13,350	0.0	13,350	1.5
Retail	Jobs	11,200	-0.9	11,250	-0.4
Finance, insur., & real estate	Jobs	2,650	0.0	2,700	0.0
Services & miscellaneous	Jobs	18,150	3.7	17,800	4.4
Hotels	Jobs	6,550	0.0	6,450	-2.3
Health	Jobs	3,100	8.8	3,000	13.2
Government	Jobs	10,850	3.3	10,600	1.0
Federal	Jobs	1,000	17.6	850	-5.6
State	Jobs	7,650	3.4	7,450	2.1
Local	Jobs	2,250	0.0	2,300	0.0
Agriculture wage & salary jobs 1/	Jobs	2,450	14.0	2,450	-2.0
General excise and use tax revenues	\$1,000	28,188	18.1	94,302	3.9
Income-individual	\$1,000	12,466	7.5	56,528	2.2
Declaration of estimated taxes	\$1,000	6,631	49.7	19,257	10.7
Payment with returns	\$1,000	1,104	-4.6	9,230	3.5
Withholding tax on wages	\$1,000	11,874	-10.0	47,449	-1.0
Refunds	\$1,000	7,142	-0.6	19,408	2.6
Transient accommodations tax	\$1,000	2,833	21.5	8,612	20.3
Visitor arrivals by air 3/	Persons	324,948	0.2	(NA)	(NA)
Domestic-flight visitors	Persons	233,598	-3.8	(NA)	(NA)
International-flight visitors	Persons	91,350	12.2	(NA)	(NA)
Hotel occupancy rates 2/	%	74.6	0.3	65.5	-3.9

NA Not available.

1/ Labor force and jobs are averages based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

**Table 4. 2000 SELECTED ECONOMIC ACTIVITIES: MAUI COUNTY**

SERIES	UNIT	1st QUARTER 2000		1999	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	72,900	3.3	71,650	2.3
Civilian employment	Persons	69,400	5.2	67,550	3.5
Civilian unemployment	Persons	3,550	-21.1	4,100	-13.7
Unemployment rate 2/	%	4.9	-1.5	5.7	-1.1
Total non-agric. wage & salary jobs 1/	Jobs	59,000	2.8	58,350	3.2
Contract construction	Jobs	2,750	27.9	2,400	17.1
Manufacturing	Jobs	1,750	6.1	1,750	0.0
Transport., comm., utilities	Jobs	4,550	3.4	4,500	11.1
Trade	Jobs	15,850	1.0	15,800	2.9
Retail	Jobs	14,450	1.8	14,250	2.5
Finance, insur., & real estate	Jobs	3,100	0.0	3,100	1.6
Services & miscellaneous	Jobs	23,300	1.5	23,200	2.0
Hotels	Jobs	11,300	3.7	10,950	1.4
Health	Jobs	2,350	2.2	2,400	4.3
Government	Jobs	7,750	2.6	7,650	0.7
Federal	Jobs	600	20.0	550	10.0
State	Jobs	5,350	3.9	5,250	1.0
Local	Jobs	1,800	-2.7	1,900	0.0
Agriculture wage & salary jobs 1/	Jobs	2,250	18.4	2,150	7.5
General excise and use tax revenues	\$1,000	34,721	13.8	122,966	10.1
Income-individual	\$1,000	15,659	58.4	57,584	2.4
Declaration of estimated taxes	\$1,000	9,678	90.0	21,878	21.3
Payment with returns	\$1,000	893	-7.1	8,852	6.6
Withholding tax on wages	\$1,000	14,246	6.0	50,650	-1.2
Refunds	\$1,000	9,159	-4.7	23,795	11.2
Transient accommodations tax	\$1,000	7,919	48.3	24,409	59.5
Visitor arrivals by air 3/	Persons	557,510	-0.8	(NA)	(NA)
Domestic-flight visitors	Persons	443,318	-4.3	(NA)	(NA)
International-flight visitors	Persons	114,192	15.7	(NA)	(NA)
Hotel occupancy rates 2/ 4/	%	85.7	5.3	77.4	4.1

NA Not available.

1/ Labor force and jobs are averages based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates

3/ Preliminary. County-level data not yet revised

4/ Data represent Maui Island only.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation  
Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by  
Hawaii State Department of Business, Economic Development & Tourism.

**Table 5. 2000 SELECTED ECONOMIC ACTIVITIES: KAUAI COUNTY**

SERIES	UNIT	1st QUARTER 2000		1999	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	29,750	4.2	29,000	1.0
Civilian employment	Persons	27,700	6.3	26,800	3.7
Civilian unemployment	Persons	2,050	-18.0	2,250	-21.1
Unemployment rate 2/	%	6.9	-1.9	7.8	-2.2
Total non-agric. wage & salary jobs 1/	Jobs	24,850	3.5	24,600	2.9
Contract construction	Jobs	900	5.9	850	-5.6
Manufacturing	Jobs	450	12.5	450	12.5
Transport., comm., utilities	Jobs	1,800	9.1	1,750	6.1
Trade	Jobs	7,150	3.6	7,050	4.4
Retail	Jobs	6,650	3.9	6,550	4.8
Finance, insur., & real estate	Jobs	1,300	4.0	1,250	0.0
Services & miscellaneous	Jobs	9,250	2.2	9,300	3.9
Hotels	Jobs	3,700	4.2	3,600	1.4
Health	Jobs	1,450	-3.3	1,500	3.4
Government	Jobs	4,100	3.8	4,050	1.3
Federal	Jobs	450	28.6	350	0.0
State	Jobs	2,650	3.9	2,600	2.0
Local	Jobs	1,050	5.0	1,050	-4.5
Agriculture wage & salary jobs 1/	Jobs	1,000	25.0	900	12.5
General excise and use tax revenues	\$1,000	10,624	12.3	38,284	6.1
Income-individual	\$1,000	5,164	49.3	21,038	4.7
Declaration estimated taxes	\$1,000	3,022	49.3	8,118	23.4
Payment with returns	\$1,000	448	11.5	3,878	11.3
With holding tax on wages	\$1,000	4,796	-0.6	18,926	-2.3
Refunds	\$1,000	3,101	-18.2	9,884	5.9
Transient accommodations tax	\$1,000	1,546	48.9	5,213	60.1
Visitor arrivals by air 3/	Persons	258,438	3.3	(NA)	(NA)
Domestic-flight visitors	Persons	204,049	-4.7	(NA)	(NA)
International-flight visitors	Persons	54,389	50.7	(NA)	(NA)
Hotel occupancy rates 2/	%	76.0	7.8	70.3	4.2

NA Not available.

1/ Labor force and jobs are averages based on monthly rounded data.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

## A. LABOR FORCE AND JOBS

Hawaii's labor market showed clear signs of economic recovery in the first quarter. Both civilian employment and the number of wage and salary jobs grew strongly. The unemployment rate continued to drop. With few exceptions, job increases were spread across the entire economy.

These observations of Hawaii's labor force and jobs by industry reflect 1997-1999 DLIR data rebenchmarked in April 2000.

By more than one measure, Hawaii's labor market is the largest it has ever been. The civilian labor force (non-military, over age 16 either working or looking for work) topped 600,000 for the first time in the first quarter of 2000 (Table A-1). Civilian employment grew 3.1 percent from the first quarter of 1999 to the first quarter 2000 to the highest level in Hawaii's history (Table A-2).

On the other side of employment, Hawaii's unemployment rate stood at 4.6 percent in the first quarter of the year, falling below the 5.0 percent level for the second time since 1993 (Table A-4; the first drop below 5.0 percent since 1993 came in the fourth quarter 1999).

Non-agricultural wage and salary jobs expanded by 1.9 percent in the first quarter 2000 compared to the year-earlier quarter (Table A-5). Until recently, non-agricultural wage and salary jobs had been falling even as civilian employment expanded. The fact that these jobs are now rising with civilian employment suggests sustained strength in Hawaii's economy. However non-agricultural jobs have not yet reached the levels seen in 1992 and 1993.

Construction jobs grew by a fast 8.8 percent in the first quarter (Table A-6). This

was the fastest rate of growth since the fourth quarter of 1990. As discussed in the section "County Economic Conditions," much of this growth has occurred on the Neighbor Islands.

Other industries that enjoyed wage and salary job growth in the first quarter included services (2.0 percent, Table A-14), retail trade and wholesale trade (each up 2.2 percent, Tables A-11 and A-12), transportation (1.5 percent, Table A-8), and communications (0.7 percent, Table A-9).

Two sectors experienced job losses in the first quarter: utilities (-1.5 percent, Table A-10), and finance, insurance and real estate (-0.6 percent, Table A-13).

Manufacturing and agriculture deserve special mention. Jobs in both sectors have declined secularly since the 1970s. Recently, however, both sectors have seen job increases. Manufacturing jobs rose by 2.8 percent in the first quarter of 2000 over the first quarter of 1999 (Table A-7) and agricultural jobs jumped by 11.3 percent over the same period (Table A-19). While clearer for agriculture than manufacturing, both industries may have reached levels where the long-run declines have ended and a new period of stability or growth is beginning.

Public sector jobs also grew in the first quarter, but the rates of increase were lower than the 1.9 percent increase in total non-agricultural wage and salary jobs. Federal government jobs expanded by 1.3 percent (Table A-16) and state government jobs increased by 1.7 percent (Table A-17). Local government jobs remained unchanged in the first quarter of 2000 relative to the year-earlier quarter (Table A-18).

## **B. INCOME AND PRICES**

Hawaii's personal income accelerated in the second half of 1999 according to recently released data from the U.S. Bureau of Economic Analysis (BEA). The income gains were led by increases in wages and salaries and proprietors' income.

BEA's estimates for the fourth quarter accompanied a comprehensive revision of state personal income data from 1969 through 1999. Methodological changes in treatment of government and uninsured private pensions generally raised personal income estimates for all states. In Hawaii, the changes also affected the pattern of growth in recent years.

According to BEA's estimates, Hawaii's personal income grew by 4.1 percent from the fourth quarter of 1998 to the fourth quarter of 1999 (Table B-2). This followed strong growth in the third quarter of 4.8 percent. Year-over-year, Hawaii's personal income was 3.6 percent higher in 1999 than in 1998.

Accounting for size of the components, by far the largest contributor to this growth, was wages and salaries. The wage and salary component grew 4.7 percent in the fourth quarter of 1999 compared to the year-earlier quarter (Table B-3). For 1999 overall, wage and salary growth was 4.0 percent. This was the fastest rate of annual increase since 1992.

Proprietors' income grew by 6.0 percent in the fourth quarter (Table B-5). Proprietors' income has grown relatively rapidly for the last few years (although BEA's recent revisions significantly lowered the 1998 growth rates and raised the 1997 growth rates). We have interpreted this as consistent with other evidence that self-employment has risen in Hawaii in recent years.

Earnings expanded in almost all sectors of the economy during the fourth quarter (Table B-1). Adjusting for size, the largest sources of private earnings growth came from services, retail trade, and wholesale trade.

Earnings in the public sector also expanded in the fourth quarter, with a particularly large increase in the state and local component. This likely reflected retroactive pay increases under an arbitration award.

Inflation remains relatively low in Hawaii according to the Honolulu Consumer Price Index. For 1999, the rate of inflation was 1.0 percent (Table B-9). However, the CPI for the second half of 1999 was up by 1.6 percent relative to the second half of 1998, suggesting that inflation is accelerating.

**Table B-1. PERSONAL INCOME FOR HAWAII BY MAJOR SOURCES**

[In Millions of Dollars at Seasonally Adjusted Annual Rates]

Series	Fourth Quarter 1998	Annual average 1998	Third Quarter 1999	Fourth Quarter 1999	Annual average 1999	Percent Change		
						To Fourth Quarter 1999 from		Annual average
						Third Quarter 1999	Fourth Quarter 1998	1999 from 1998
PERSONAL INCOME	32,186	31,856	33,398	33,520	33,006	0.4	4.1	3.6
Earnings By Place of Work	22,294	22,043	23,305	23,333	22,930	0.1	4.7	4.0
Wage and salary disbursements	17,945	17,743	18,763	18,783	18,450	0.1	4.7	4.0
Other labor income	3,107	3,090	3,243	3,208	3,179	-1.1	3.3	2.9
Proprietors' income	2,515	2,477	2,626	2,667	2,610	1.6	6.0	5.4
Farm proprietors' income	2	1	8	7	9	-12.5	250.0	620.0
Nonfarm proprietors' income	2,513	2,475	2,619	2,659	2,601	1.5	5.8	5.1
Dividends, interest, and rent	6,083	6,019	6,167	6,227	6,162	1.0	2.4	2.4
Transfer payments	3,810	3,794	3,926	3,959	3,914	0.8	3.9	3.2
Less: Pers. cont. for social insur.	1,274	1,266	1,327	1,324	1,308	-0.2	3.9	3.3
Earnings By Industry	22,294	22,043	23,305	23,333	22,930	0.1	4.7	4.0
Farm Earnings	169	164	179	180	179	0.6	6.5	9.1
Nonfarm Earnings	23,399	23,145	24,454	24,477	24,059	0.1	4.6	3.9
Private Earnings	16,285	16,035	16,580	16,809	16,526	1.4	3.2	3.1
Ag. serv., forestry, fishing & oth	141	137	154	156	148	1.3	10.6	8.0
Mining	18	19	18	18	18	0.0	0.0	-6.7
Construction	1,304	1,325	1,272	1,285	1,281	1.0	-1.5	-3.3
Manufacturing	714	717	742	739	740	-0.4	3.5	3.2
Transport. and public utilities	1,834	1,816	1,796	1,812	1,810	0.9	-1.2	-0.3
Wholesale trade	810	808	855	875	848	2.3	8.0	4.9
Retail trade	2,530	2,527	2,645	2,673	2,620	1.1	5.7	3.7
Finance, insur., and real estate	2,053	1,991	2,103	2,117	2,096	0.7	3.1	5.3
Services	6,881	6,695	6,995	7,134	6,966	2.0	3.7	4.1
Gov't and gov't enterprises	7,114	7,110	7,873	7,668	7,532	-2.6	7.8	5.9
Federal, civilian	1,808	1,787	1,890	1,889	1,878	-0.1	4.5	5.1
Military	2,277	2,300	2,286	2,246	2,273	-1.7	-1.4	-1.2
State and local	3,028	3,023	3,697	3,533	3,381	-4.4	16.7	11.9

BEA data for 1969 Q1 through 1999 Q3 have been revised. See <<http://www.bea.doc.gov/bea/regional/spi/index.html>>

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Data: May 17, 2000,

<<http://www.bea.doc.gov/bea/regional/sq/sq5pm.exe>>, <<http://www.bea.doc.gov/bea/newsrel/spi0500.html>>,

<http://www.bea.doc.gov/bea/ARTICLES/REGIONAL/PERSINC/2000/0600spi.pdf>

and tabulations by the Hawaii State Department of Business, Economic Development & Tourism.

**Table B-9. HONOLULU and U.S. CONSUMER PRICE INDEX,  
ALL URBAN CONSUMERS (CPI-U)  
[1982-84=100]**

Period	U.S.	Honolulu								
		All Items	Food & Beverages	Housing	Apparel & Upkeep	Transportation	Medical Care	Recreation 1/	Educ. & Comm. 1/	Other Goods & Services
1992	140.3	155.1	148.5	161.7	114.2	147.4	182.6	(NA)	(NA)	189.0
1993	144.5	160.1	152.9	166.5	116.5	150.5	197.4	(NA)	(NA)	200.1
1994	148.2	164.5	153.4	171.6	118.7	156.4	206.0	(NA)	(NA)	209.6
1995	152.4	168.1	156.8	174.7	117.5	162.4	209.8	(NA)	(NA)	216.8
1996	156.9	170.7	156.6	176.8	118.5	167.0	215.0	(NA)	(NA)	226.5
1997	160.5	171.9	159.2	177.1	117.3	166.2	217.3	(NA)	(NA)	239.0
1998	163.0	171.5	159.1	176.0	112.2	162.5	226.1	100.8	99.1	256.1
1999	166.6	173.3	162.9	175.8	105.4	162.2	231.3	101.9	104.5	275.6
1995H1	151.5	166.9	156.5	173.4	118.1	160.0	207.8	(NA)	(NA)	214.4
H2	153.2	169.4	157.1	176.0	116.9	164.9	211.8	(NA)	(NA)	219.2
1996H1	155.8	170.5	156.9	176.8	120.0	166.3	214.9	(NA)	(NA)	220.6
H2	157.9	171.0	156.3	176.8	116.9	167.7	215.0	(NA)	(NA)	232.4
1997H1	159.9	172.1	159.4	177.3	119.8	167.8	215.6	(NA)	(NA)	232.5
H2	161.2	171.8	159.0	177.0	114.8	164.6	219.1	(NA)	(NA)	245.5
1998H1	162.3	172.0	160.0	176.3	116.4	163.2	222.5	101.4	98.9	254.3
H2	163.7	171.0	158.2	175.7	108.0	161.8	229.8	100.3	99.3	258.0
1999H1	165.4	172.7	162.4	175.5	106.0	162.3	231.0	101.3	102.6	273.9
H2	167.8	173.8	163.5	176.0	104.9	162.0	231.5	102.5	106.4	277.3
Percentage Change from the Same Period in Previous Year										
1992	3.0	4.8	1.8	5.8	3.3	5.8	6.6	(NA)	(NA)	7.6
1993	3.0	3.2	3.0	3.0	2.0	2.1	8.1	(NA)	(NA)	5.9
1994	2.6	2.7	0.3	3.1	1.9	3.9	4.4	(NA)	(NA)	4.7
1995	2.8	2.2	2.2	1.8	-1.0	3.8	1.8	(NA)	(NA)	3.4
1996	2.9	1.5	-0.1	1.2	0.9	2.8	2.5	(NA)	(NA)	4.5
1997	2.3	0.7	1.7	0.2	-1.0	-0.5	1.1	(NA)	(NA)	5.5
1998	1.6	-0.2	-0.1	-0.6	-4.3	-2.2	4.0	(NA)	(NA)	7.2
1999	2.2	1.0	2.4	-0.1	-6.1	-0.2	2.3	1.1	5.4	7.6
1995H1	3.0	2.1	3.2	1.8	-0.8	2.6	1.6	(NA)	(NA)	3.3
H2	2.6	2.2	1.2	1.9	-1.1	5.2	2.1	(NA)	(NA)	3.5
1996H1	2.8	2.2	0.3	2.0	1.6	3.9	3.4	(NA)	(NA)	2.9
H2	3.1	0.9	-0.5	0.5	0.0	1.7	1.5	(NA)	(NA)	6.0
1997H1	2.6	0.9	1.6	0.3	-0.2	0.9	0.3	(NA)	(NA)	5.4
H2	2.1	0.5	1.7	0.1	-1.8	-1.8	1.9	(NA)	(NA)	5.6
1998H1	1.5	-0.1	0.4	-0.6	-2.8	-2.7	3.2	(NA)	(NA)	9.4
H2	1.6	-0.5	-0.5	-0.7	-5.9	-1.7	4.9	(NA)	(NA)	5.1
1999H1	1.9	0.4	1.5	-0.5	-8.9	-0.6	3.8	-0.1	3.7	7.7
H2	2.5	1.6	3.4	0.2	-2.9	0.1	0.7	2.2	7.2	7.5

Data on U.S. CPI are released monthly and Honolulu CPI, twice a year in February and August for the half (H) year previous.

NA Not available.

1/ New indexes as of January 1998. Base period is December 1997. The former "Entertainment" index has been discontinued.

Source: U.S. Bureau of Labor Statistics, <<http://stats.bls.gov>>, Fax-on-Demand (415) 975-4567, and Information (415) 975-4350.



## C. TAX REVENUES

Stronger economic activity translated into rising state revenues in the first quarter of the year. The revenue increases were spread over all of the major tax instruments.

General fund tax revenues grew 11.6 percent from the first quarter of 1999 to the first quarter of 2000 (Table C-2). This was the largest first-quarter increase since 1989.

Adjusting for size, most of the increase came from the 14.3 percent rise in general excise and use tax (GET) revenues (Table C-3). The GET is the largest single source of state general fund tax revenues, and it is a broad measure of economic activity. The strong first quarter growth was the largest since 1990.

After falling throughout 1999 due to rate cuts, individual income tax revenues began to rise again in the first quarter. From the first quarter of 1999 through the first quarter 2000, net individual income tax revenue rose 3.6 percent (Table C-4).

The increase in net individual income tax revenue came from declarations of estimated taxes. This revenue jumped 44.7 percent over the period (Table C-5). As a share of net individual income taxes,

declarations were 23.8 percent—the highest first-quarter share since 1991. The increase may be due to realizations of gains in the U.S. financial markets.

Net corporate income taxes also increased by a substantial 134 percent in the first quarter relative to the year-earlier quarter (Table C-9). As with individual income taxes, most of this growth came from declarations of estimated taxes (Table C-10), although there was also substantial growth in corporate payments with returns (Table C-11). However, corporate income tax revenue normally accounts for only slightly less than 2 percent of general fund revenue.

Transient accommodations tax (TAT) revenue grew by 9.6 percent in the first quarter compared to the first quarter of 1999 (Table C-13). Beginning in January 1999, the TAT rate was raised from 6 percent to 7.25 percent and the base extended to included time-share units. Some, but not all, of the rate increase was reflected in first quarter 1999 revenues (some 1998 taxes were paid in 1999). Thus, some of the first quarter 2000 TAT revenue reflects the effect of higher rates/broader base rather than increased visitor activity.

## D. TOURISM

Recent tourism statistics show improvement in Hawaii's visitor industry in the first quarter. These statistics are part of DBEDT's revision of tourism numbers to improve the accuracy and validity of the data. At this time comparable data for years prior to 1999 are not yet available. These data will be released soon and will appear in the next issue of the *Quarterly Statistical and Economic Report*.

Visitor arrivals to Hawaii expanded by 2.0 percent from the first quarter of 1999 to the first quarter of 2000 (Table D-1). All of this growth came from visitors traveling on domestic-flight carriers from U.S. mainland. The number of domestic-flight visitors increased 4.8 percent over the period.

In contrast, the number of visitors traveling on international-flight carriers fell by 2.4 percent. About 70 percent of international-flight visitor arrivals are Japanese and the total number of Japanese arrivals to Hawaii declined by 2.9 percent in the first quarter from the year-earlier quarter.

Visitor days, the product of visitor arrivals and average length of stay, showed similar patterns. Overall, visitor days increased by 1.7 percent. Domestic-flight visitor days rose by 5.1 percent, reflecting an increase in average length of stay from the first quarter of 1999 to the first quarter 2000. International-flight visitor days fell by 5.5

percent, reflecting some reduction in average length of stay over the period.

Hotel occupancy rates rose by 1.2 percentage points from the first quarter of 1999 to the first quarter of 2000 (Table D-2). Occupancy rates are now higher than at any time since the first quarter of 1997.

Readers will recognize that these data differ substantially from those reported in the past. The current format reflects revisions in methodology that should substantially improve the accuracy of the data. However, these data are not comparable with earlier figures. Readers interested in reviewing the new data in detail can find them at [<http://www.hawaii.gov/dbedt/monthly/index.html>](http://www.hawaii.gov/dbedt/monthly/index.html).

Readers interested in reviewing the earlier now-obsolete data can find them in previous versions of this publication [<http://www.hawaii.gov/dbedt/qser.html>](http://www.hawaii.gov/dbedt/qser.html).

Readers interested in reviewing monthly component-detail data can find them on the Selected Economic Activities web page <http://www.hawaii.gov/dbedt/sea.html>.

Earlier data that are comparable with the current data in Table D-1 will be released in July 2000. These historical data will accompany a more detailed description of the revisions and their motivation. The September 2000 issue of the *QSER* will also contain comparable historical data.

**Table D-1. VISITOR ARRIVALS, AVERAGE LENGTH OF STAY, AND  
AVERAGE DAILY VISITOR CENSUS - BY AIR**

	<b>1999 First Quarter</b>	<b>2000P First Quarter</b>	<b>Percentage change from same period previous year</b>
<b>Total Visitor Arrivals on Domestic &amp; International Flights</b>			
Total Arrivals	1,689,881	1,722,991	2.0
Domestic Flight Arrivals	1,022,870	1,071,927	4.8
International Flight Arrivals	667,011	651,064	-2.4
<b>Average Length of Stay</b>			
Total Arrivals	9.41	9.39	-0.3
Domestic Flight Arrivals	10.57	10.60	0.3
International Flight Arrivals	7.64	7.40	-3.2
<b>Visitor Days</b>			
Total Arrivals	15,906,300	16,175,820	1.7
Domestic Flight Arrivals	10,811,340	11,359,780	5.1
International Flight Arrivals	5,094,960	4,816,040	-5.5
<b>Average Daily Census</b>			
Total Arrivals	176,740	177,750	0.6
Domestic Flight Arrivals	120,130	124,830	3.9
International Flight Arrivals	56,610	52,920	-6.5

Source: Department of Business, Economic Development & Tourism, Research and Economic Analysis Division.

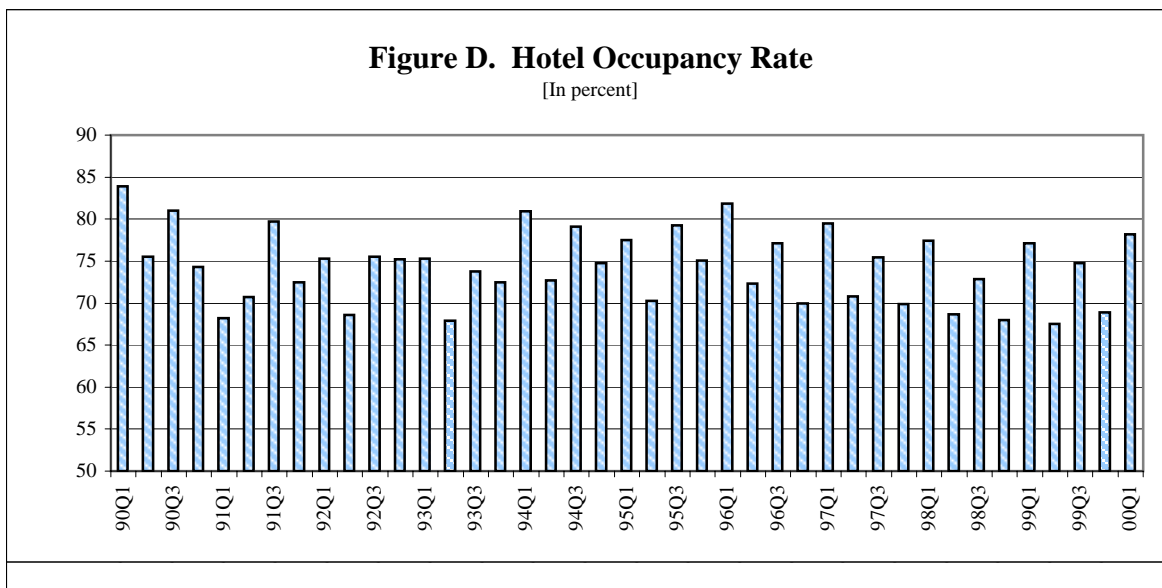
**Table D-2. HOTEL OCCUPANCY RATE**

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
In Percent					
1982	79.0	65.9	70.9	66.7	70.4
1983	75.2	68.1	71.7	66.5	69.7
1984	84.0	75.6	74.6	75.1	76.0
1985	88.1	69.1	75.0	72.5	76.1
1986	87.0	78.8	79.9	76.8	81.7
1987	88.0	77.1	82.1	77.8	81.1
1988	81.7	75.1	81.3	75.1	78.5
1989	85.9	73.9	81.0	75.7	79.0
1990	83.9	75.5	81.0	74.3	78.8
1991	68.2	70.7	79.7	72.5	72.4
1992	75.3	68.6	75.5	75.2	72.7
1993	75.3	67.9	73.8	72.5	72.0
1994	80.9	72.7	79.1	74.8	76.5
1995	79.5	70.3	79.2	75.1	75.8
1996	81.9	72.3	77.1	70.0	75.2
1997	79.5	70.8	75.5	69.9	73.9
1998	77.4	68.7	72.9	68.0	71.5
1999	77.1	67.5	74.8	68.9	72.1
2000	78.2	(NA)	(NA)	(NA)	(NA)

NA Not available.

Quarterly averages are computed by Hawaii State Department of Business, Economic Development & Tourism from PKF-Hawaii monthly averages through January 1995 and PricewaterhouseCoopers monthly averages from February 1995.

Sources: Hawaii State Department of Business, Economic Development & Tourism, PKF-Hawaii and Smith Travel Research, PricewaterhouseCoopers LLP.



## E. CONSTRUCTION

Construction activity continued to increase in the first quarter of the year. While not as strong as last year, the value of building permits grew at a healthy rate, and the number of permits also expanded strongly. The sharp rise in permits observed in 1999 seems to be translating into real construction activity this year.

The value of private building authorizations grew by 8.4 percent from the first quarter of 1999 to the first quarter 2000 (Table E-1). Most of this growth came from residential permits, followed by additions and alterations. The value of commercial and industrial building permits actually fell over the period. But this partly reflected an unusually large value of such permits in the first quarter of 1999 associated with the new tower at the Hilton Hawaiian Village on Oahu.

The contracting tax base, a measure of actual construction activity, expanded by a sharp 19.9 percent in the first quarter 2000 relative to the year-earlier quarter. This increase seems to indicate that the large (29.7 percent) increase in permits in 1999 is being translated into accelerated construction activity this year. If the pace continues through the year, it would be the fastest rate of growth since 1990.

The increase in construction jobs corroborates the notion that real construction activity has increased in Hawaii. As reported in Section A, construction jobs grew by a rapid 8.8 percent in the first quarter, the fastest rate of first-quarter growth since 1991.

The growth in residential construction is even higher by the *number* rather than

*value* of permits. Table E-2 reports the number of single family units authorized grew by 38.7 percent from the first quarter of 1999 through the first quarter of 2000. This was the largest increase since the first quarter of 1987. The number of multi-family units also jumped by 63.1 percent over the period (Table E-3).

By county, most of the increase in the value of permits came in Maui County (111.8 percent, Table E-6). Hawaii County also experienced a relatively large 59.0 percent increase in permit values. By contrast, permit values fell in both Honolulu and Kauai counties.

Average sales prices for housing began rising at double-digit rates in the first quarter. Average new and existing single family home prices rose 16.8 percent from the first quarter of 1999 to the first quarter 2000 (Table E-7). Condominium prices increased by 12.0 percent (Table E-8). In both cases, this was the largest first-quarter increase since 1990.

The number of real estate sales and resales has risen at double-digit rates since the second half of 1997 to the third quarter of 1999. In the first quarter, single-family home sales and resales increased a small 0.4 percent compared to the year-earlier quarter (Table E-9). But condominium sales and resales grew by 22.6 percent.

State government construction activity also contributed to economic growth in the first quarter. State capital improvement project (CIP) expenditures rose by 20.9 percent in the first quarter 2000 relative to the first quarter of 1999 (Table E-11).

**Table E-1. ESTIMATED VALUE OF COMPLETED CONSTRUCTION,  
NEW PRIVATE BUILDING AUTHORIZATIONS, AND  
GOVERNMENT CONTRACTS AWARDED**

Year	Contracting tax base 1/	Private Building Authorization				Government
		Total Private Authorizations	Residential	Commercial & Industrial 2/	Additions & Alterations	Contracts Awarded
In Millions of Dollars						
1982	1,294.9	683.1	299.2	242.9	141.1	391.6
1983	1,353.4	685.2	296.2	203.2	185.9	275.0
1984	1,242.9	581.5	327.7	104.0	149.9	388.7
1985	1,367.7	888.9	500.1	208.8	180.1	248.9
1986	1,808.0	1,025.2	455.5	267.4	302.3	422.7
1987	2,003.1	1,161.9	507.0	344.4	310.5	370.9
1988	2,487.6	1,546.5	689.2	541.2	316.1	665.0
1989	3,112.8	1,882.4	910.7	561.8	409.9	725.2
1990	4,003.7	2,101.8	952.3	698.0	451.5	825.5
1991	4,334.1	2,151.8	1,192.0	556.2	403.7	729.4
1992	4,012.7	1,751.9	811.1	532.3	408.5	1,159.1
1993	3,803.6	1,505.4	742.1	308.0	455.3	651.8
1994	3,322.3	1,612.9	849.3	370.3	393.4	693.0
1995	3,133.5	1,531.3	745.5	368.3	417.5	490.2
1996	3,285.1	1,117.8	487.0	252.8	378.0	885.5
1997	2,944.4	1,179.2	542.5	264.5	372.2	615.6
1998	3,016.0	1,054.3	485.5	205.6	363.2	685.5
1999	2,991.2	1,367.6	647.4	257.7	411.8	584.8
1997 1 Qtr.	685.9	258.9	88.4	72.8	97.8	181.8
2 Qtr.	777.1	425.6	220.8	93.6	111.9	121.6
3 Qtr.	734.1	266.0	132.8	46.8	86.3	200.9
4 Qtr.	747.3	228.7	100.5	51.3	76.2	111.3
1998 1 Qtr.	757.1	260.4	118.2	50.3	91.9	155.3
2 Qtr.	706.3	246.7	121.3	48.5	76.9	127.5
3 Qtr.	793.6	296.0	123.5	55.1	117.3	218.7
4 Qtr.	759.0	251.3	122.6	51.7	77.0	183.5
1999 1 Qtr.	732.1	342.9	141.6	125.0	76.3	177.3
2 Qtr.	737.0	314.3	153.4	72.4	88.5	104.6
3 Qtr.	758.1	314.1	151.1	63.9	99.0	147.1
4 Qtr.	764.0	426.9	201.7	58.1	167.0	155.8
2000 1 Qtr.	877.6	371.6	208.8	51.7	111.1	217.1

First Hawaiian Bank has discontinued compiling Government Contracts Awarded. Hawaii State Department of Business, Economic Development & Tourism has compiled preliminary estimates beginning with the fourth quarter 1997 based on data in *Building Industry*.

1/ Formerly, this category was "Value of Construction Completed", subject to revision by Hawaii State Department of Taxation.

2/ Includes hotels.

Source: Hawaii State Department of Taxation; F. W. Dodge; county building departments; First Hawaiian Bank;

*Building Industry* (various issues) and tabulations by Hawaii State Department of Business, Economic Development & Tourism.

**Table E-1. ESTIMATED VALUE OF COMPLETED CONSTRUCTION,  
NEW PRIVATE BUILDING AUTHORIZATIONS, AND  
GOVERNMENT CONTRACTS AWARDED - Con.**

Year	Contracting tax base 1/	Private Building Authorization				Government
		Total Private Authorizations	Residential	Commercial & Industrial 2/	Additions & Alterations	Contracts Awarded
Percentage Change from the Same Period in Previous Year						
1982	-19.8	-14.8	-24.9	0.9	-13.4	-8.8
1983	4.5	0.3	-1.0	-16.3	31.8	-29.8
1984	-8.2	-15.1	10.6	-48.8	-19.4	41.3
1985	10.0	52.9	52.6	100.8	20.1	-36.0
1986	32.2	15.3	-8.9	28.1	67.9	69.8
1987	10.8	13.3	11.3	28.8	2.7	-12.3
1988	24.2	33.1	35.9	57.1	1.8	79.3
1989	25.1	21.7	32.1	3.8	29.7	9.1
1990	28.6	11.7	4.6	24.2	10.1	13.8
1991	8.3	2.4	25.2	-20.3	-10.6	-11.6
1992	-7.4	-18.6	-32.0	-4.3	1.2	58.9
1993	-5.2	-14.1	-8.5	-42.1	11.5	-43.8
1994	-12.7	7.1	14.4	20.2	-13.6	6.3
1995	-5.7	-5.1	-12.2	-0.5	6.1	-29.3
1996	4.8	-27.0	-34.7	-31.4	-9.5	80.6
1997	-10.4	5.4	11.4	4.4	-1.5	-30.5
1998	2.4	-10.5	-10.5	-22.1	-2.4	11.4
1999	-0.8	29.7	33.3	25.3	13.4	-14.7
1997 1 Qtr.	-16.8	-7.7	-25.3	-7.2	16.8	-43.1
2 Qtr.	-4.6	58.7	122.5	49.8	5.0	55.9
3 Qtr.	-12.5	-24.5	-25.3	-27.7	-21.4	-37.9
4 Qtr.	-7.5	5.8	10.1	8.7	-5.8	-32.3
1998 1 Qtr.	10.4	0.6	33.7	-30.9	-6.0	-14.6
2 Qtr.	-9.1	-42.0	-45.1	-48.2	-30.8	4.8
3 Qtr.	8.1	11.3	-7.0	17.7	35.9	8.9
4 Qtr.	1.6	10.2	22.1	0.7	1.0	64.9
1999 1 Qtr.	3/ -3.3	31.7	19.8	148.5	-17.0	14.1
2 Qtr.	3/ 4.3	27.4	26.5	49.2	15.1	-18.0
3 Qtr.	3/ -4.5	6.1	22.3	16.0	-15.6	-32.8
4 Qtr.	3/ 0.7	69.9	64.5	12.4	116.9	-15.1
2000 1 Qtr.	19.9	8.4	47.5	-58.6	45.6	22.5

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1/ Formerly, this category was "Value of Construction Completed", subject to revision by Hawaii State Department of Taxation.

2/ Includes hotels.

3/ Subject to revision by Hawaii State Department of Taxation.

Source: Hawaii State Department of Taxation; F. W. Dodge; county building departments; First Hawaiian Bank; *Building Industry* (various issues) and tabulations by Hawaii State Department of Business, Economic Development & Tourism.

## F. OTHER INDICATORS

Bankruptcy filings fell again in the first quarter of the year. This marked the fourth consecutive quarter of lower bankruptcy filings and is consistent with other indicators suggesting growth in Hawaii's economy.

Total bankruptcy filings dropped by 14 percent from the first quarter 1999 to the first quarter 2000 (Table F-1).

Most of the decline came in Chapter 7 filings, which involve the liquidation of assets and the discharge of some debt. The number of Chapter 7 filings fell by 16.8 percent over the period.

Chapter 11 filings also declined from 8 in the first quarter of 1999 to 5 in the first

quarter 2000. Chapter 11 filings involve the structuring of repayment plans for companies.

Working in the other direction, Chapter 13 filings were up over the period. Chapter 13 filings increased 21.1 percent from in the first quarter 2000 from the year-earlier period. Chapter 13 bankruptcy allows debtors to workout repayment arrangements with creditors.

The decline in bankruptcy filings in Hawaii has been mirrored by similar declines for the nation as a whole. U.S. bankruptcy filings fell 5.6 percent from the first quarter of 1999 through the first quarter 2000. First calendar quarter U.S. bankruptcy statistics can be found at [http://www.uscourts.gov/Press\\_Releases/press\\_6092000.pdf](http://www.uscourts.gov/Press_Releases/press_6092000.pdf)

**Total Bankruptcy Filings (Chapters 7, 11, 12, and 13)**  
(percentage change from same period previous year)

